



QUARTERLY STATEMENT
AS OF MARCH 31, 2016
OF THE CONDITION AND AFFAIRS OF THE
QCA Health Plan, Inc.

NAIC Group Code 4807 , 4807 NAIC Company Code 95448 Employer's ID Number 71-0794605
(Current Period) (Prior Period)

Organized under the Laws of Arkansas , State of Domicile or Port of Entry Arkansas

Country of Domicile United States of America

Licensed as business type: Life, Accident & Health[] Property/Casualty[] Hospital, Medical & Dental Service or Indemnity[]
 Dental Service Corporation[] Vision Service Corporation[] Health Maintenance Organization[X]
 Other[] Is HMO Federally Qualified? Yes[] No[X] N/A[]

Incorporated/Organized 04/08/1996 Commenced Business 07/31/1996

Statutory Home Office 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number) (City or Town, State, Country and Zip Code)

Main Administrative Office 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 12615 Chenal Parkway, Suite 300 , Little Rock, AR, 72211
(Street and Number or P.O. Box) (City or Town, State, Country and Zip Code)

Primary Location of Books and Records 12615 Chenal Parkway, Suite 300
(Street and Number)

Little Rock, AR, 72211 (501)228-7111
(City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Internet Web Site Address www.qualchoice.com

Statutory Statement Contact Randall Crow (501)219-5109
(Name) (Area Code)(Telephone Number)(Extension)
randall.crow@qualchoice.com (501)228-0135
(E-Mail Address) (Fax Number)

OFFICERS

<u>Name</u>	<u>Title</u>
Michael Edward Stock	President
Randall Alvin Crow	Treasurer
Charles Hanson	Secretary

OTHERS

Joni Self Daniels, Vice President-Operations
 Betty Jo Tatum-Himes, Vice President - Sales & Marketing
 Stephen Sorsby M.D., Vice President - Medical Affairs

DIRECTORS OR TRUSTEES

Mark Fred Bjornson
 Philip Linwood Foster
 Steven Charles Schramm
 Charles Hanson

State of Arkansas
 County of Pulaski ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

<u>Michael Edward Stock</u> <small>(Signature)</small>	<u>Randall Alvin Crow</u> <small>(Signature)</small>	<u>Charles Hanson</u> <small>(Signature)</small>
<u>1.</u> <small>(Printed Name)</small>	<u>2.</u> <small>(Printed Name)</small>	<u>3.</u> <small>(Printed Name)</small>
<u>President</u> <small>(Title)</small>	<u>Treasurer</u> <small>(Title)</small>	<u>Secretary</u> <small>(Title)</small>

Subscribed and sworn to before me this _____ day of _____, 2016

- a. Is this an original filing?
 b. If no, 1. State the amendment number
 2. Date filed
 3. Number of pages attached

Yes[X] No[]

 (Notary Public Signature)

DIRECTORS OR TRUSTEES (continued)

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds	24,902,940		24,902,940	32,204,897
2. Stocks:				
2.1 Preferred stocks	1,500,000		1,500,000	1,500,000
2.2 Common stocks	5,517,883		5,517,883	5,538,859
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$.....0 encumbrances)				
4.2 Properties held for the production of income (less \$.....0 encumbrances)				
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....20,298,233), cash equivalents (\$.....0) and short-term investments (\$.....0)	20,298,233		20,298,233	15,590,646
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives				
8. Other invested assets	5,409		5,409	5,423
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	52,224,465		52,224,465	54,839,825
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	113,136		113,136	132,484
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	265,297		265,297	149,787
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)	7,262,884	847,885	6,414,999	7,708,960
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	11,708,946		11,708,946	15,068,986
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans	3,703,716		3,703,716	521,711
18.1 Current federal and foreign income tax recoverable and interest thereon	1,702,936	777,344	925,592	925,592
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	56,638	56,638		
21. Furniture and equipment, including health care delivery assets (\$.....0)	231,896	231,896		
22. Net adjustments in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	71,370		71,370	11,843
24. Health care (\$.....35,196) and other amounts receivable	35,196		35,196	139,082
25. Aggregate write-ins for other-than-invested assets	5,791,386	2,914,211	2,877,175	1,843,805
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	83,167,866	4,827,974	78,339,892	81,342,075
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	83,167,866	4,827,974	78,339,892	81,342,075
DETAILS OF WRITE-INS				
1101. rounding				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid Expenses	2,414,211	2,414,211		
2502. Other Intangible Assets	500,000	500,000		
2503. CSR Cost Sharing Receivable	2,877,175		2,877,175	1,843,805
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	5,791,386	2,914,211	2,877,175	1,843,805

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$.....0 reinsurance ceded)	30,567,747	1,790,726	32,358,473	27,723,131
2. Accrued medical incentive pool and bonus amounts	247,355		247,355	247,248
3. Unpaid claims adjustment expenses	691,933		691,933	593,698
4. Aggregate health policy reserves, including the liability of \$.....0 for medical loss ratio rebate per the Public Health Service Act	539,035		539,035	664,035
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	3,023,403		3,023,403	2,104,634
9. General expenses due or accrued	8,530,038		8,530,038	2,104,373
10.1 Current federal and foreign income tax payable and interest thereon (including \$.....0 on realized gains (losses))				4,924,884
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others				
13. Remittances and items not allocated				
14. Borrowed money (including \$.....0 current) and interest thereon \$.....0 (including \$.....0 current)				
15. Amounts due to parent, subsidiaries and affiliates	39,369		39,369	140,445
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties with (\$.....0 authorized reinsurers, \$.....0 unauthorized reinsurers and \$.....0 certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$.....0) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans	3,762,314		3,762,314	3,288,813
23. Aggregate write-ins for other liabilities (including \$.....0 current)	1,550		1,550	3
24. Total liabilities (Lines 1 to 23)	47,402,744	1,790,726	49,193,470	41,791,264
25. Aggregate write-ins for special surplus funds	X X X	X X X		3,371,322
26. Common capital stock	X X X	X X X	2,454	2,454
27. Preferred capital stock	X X X	X X X	25,500,046	25,500,046
28. Gross paid in and contributed surplus	X X X	X X X	19,000,000	19,000,000
29. Surplus notes	X X X	X X X	5,000,000	5,000,000
30. Aggregate write-ins for other-than-special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	(20,355,718)	(13,322,651)
32. Less treasury stock, at cost:				
32.10 shares common (value included in Line 26 \$.....0)	X X X	X X X	360	360
32.20 shares preferred (value included in Line 27 \$.....0)	X X X	X X X		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	X X X	X X X	29,146,422	39,550,811
34. Total Liabilities, capital and surplus (Lines 24 and 33)	X X X	X X X	78,339,892	81,342,075
DETAILS OF WRITE-INS				
2301. Rounding	(2)		(2)	3
2302. ACA Risk Sharing Payable	1,552		1,552	
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above)	1,550		1,550	3
2501. ACA Section 9010 Assessment	X X X	X X X		3,371,322
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	X X X	X X X		3,371,322
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. TOTALS (Lines 3001 through 3003 plus 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	152,419	151,280	588,387
2. Net premium income (including \$.....0 non-health premium income)	X X X	51,411,710	51,265,953	205,847,620
3. Change in unearned premium reserves and reserves for rate credits	X X X			
4. Fee-for-service (net of \$.....0 medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X			
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Lines 2 to 7)	X X X	51,411,710	51,265,953	205,847,620
Hospital and Medical:				
9. Hospital/medical benefits	957,957	36,149,324	29,499,570	131,602,574
10. Other professional services				
11. Outside referrals				
12. Emergency room and out-of-area	113,943	4,299,735	4,806,245	15,653,299
13. Prescription drugs		8,462,823	6,673,731	29,593,729
14. Aggregate write-ins for other hospital and medical				
15. Incentive pool, withhold adjustments and bonus amounts				
16. Subtotal (Lines 9 to 15)	1,071,900	48,911,882	40,979,546	176,849,602
Less:				
17. Net reinsurance recoveries		278,564	64,270	15,735,412
18. Total hospital and medical (Lines 16 minus 17)	1,071,900	48,633,318	40,915,276	161,114,190
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$.....1,375,746 cost containment expenses		1,873,440	1,861,695	6,100,937
21. General administrative expenses		8,195,326	6,658,648	25,385,203
22. Increase in reserves for life and accident and health contracts (including \$.....0 increase in reserves for life only)		(125,000)		500,000
23. Total underwriting deductions (Lines 18 through 22)	1,071,900	58,577,084	49,435,619	193,100,330
24. Net underwriting gain or (loss) (Lines 8 minus 23)	X X X	(7,165,374)	1,830,334	12,747,290
25. Net investment income earned		114,791	48,582	490,689
26. Net realized capital gains (losses) less capital gains tax of \$.....0				1,042,939
27. Net investment gains or (losses) (Lines 25 plus 26)		114,791	48,582	1,533,628
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$.....0) (amount charged off \$.....0)]				
29. Aggregate write-ins for other income or expenses				
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	X X X	(7,050,583)	1,878,916	14,280,918
31. Federal and foreign income taxes incurred	X X X			5,005,911
32. Net income (loss) (Lines 30 minus 31)	X X X	(7,050,583)	1,878,916	9,275,007
DETAILS OF WRITE-INS				
0601.	X X X			
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. TOTALS (Lines 0601 through 0603 plus 0698) (Line 6 above)	X X X			
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. TOTALS (Lines 0701 through 0703 plus 0798) (Line 7 above)	X X X			
1401.				
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)				
2901.				
2902.				
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)				

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
CAPITAL & SURPLUS ACCOUNT			
33. Capital and surplus prior reporting year	39,550,811	20,288,859	20,288,859
34. Net income or (loss) from Line 32	(7,050,583)	1,878,916	9,275,007
35. Change in valuation basis of aggregate policy and claim reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0	1,383,728	296,914	(1,449,406)
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax	(1,737,393)	380,571	1,702,936
39. Change in nonadmitted assets	(3,000,142)	(2,112,673)	233,417
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			9,500,000
45.2 Transferred to capital (Stock Dividend)			
45.3 Transferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus	1		(2)
48. Net change in capital and surplus (Lines 34 to 47)	(10,404,389)	443,728	19,261,952
49. Capital and surplus end of reporting period (Line 33 plus 48)	29,146,422	20,732,587	39,550,811
DETAILS OF WRITE-INS			
4701. Rounding	1		(2)
4702. PPE contribution			
4703. 0			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. TOTALS (Lines 4701 through 4703 plus 4798) (Line 47 above)	1		(2)

CASH FLOW

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	52,536,045	53,702,408	202,392,617
2. Net investment income	154,968	25,754	322,309
3. Miscellaneous income	251,083	185,283	163,510
4. TOTAL (Lines 1 to 3)	52,942,096	53,913,445	202,878,436
5. Benefit and loss related payments	40,512,829	37,191,042	173,202,808
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	6,253,370	4,367,959	29,645,763
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses)	5,278,549	(830,238)	(1,449,406)
10. TOTAL (Lines 5 through 9)	52,044,748	40,728,763	201,399,165
11. Net cash from operations (Line 4 minus Line 10)	897,348	13,184,682	1,479,271
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds	74,732,000	260,000	27,979,904
12.2 Stocks			6,376,887
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets			
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments			1,449,444
12.7 Miscellaneous proceeds	20,992	89,407	
12.8 TOTAL investment proceeds (Lines 12.1 to 12.7)	74,752,992	349,407	35,806,235
13. Cost of investments acquired (long-term only):			
13.1 Bonds	67,450,872	252,177	41,341,298
13.2 Stocks			6,261,588
13.3 Mortgage loans			
13.4 Real estate			
13.5 Other invested assets			
13.6 Miscellaneous applications			
13.7 TOTAL investments acquired (Lines 13.1 to 13.6)	67,450,872	252,177	47,602,886
14. Net increase (or decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	7,302,120	97,230	(11,796,651)
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			9,500,000
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(3,491,881)	(6,108,494)	(12,541,182)
17. Net cash from financing and miscellaneous sources (Line 16.1 through 16.4 minus Line 16.5 plus Line 16.6)	(3,491,881)	(6,108,494)	(3,041,182)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	4,707,587	7,173,418	(13,358,562)
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	15,590,646	28,949,208	28,949,208
19.2 End of period (Line 18 plus Line 19.1)	20,298,233	36,122,626	15,590,646

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001				
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EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital & Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	46,051	23,855	21,714				482			
2. First Quarter	52,164	30,913	20,699				552			
3. Second Quarter										
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	152,419	87,661	63,123				1,635			
Total Member Ambulatory Encounters for Period:										
7. Physician	109,091	64,849	42,724				1,518			
8. Non-Physician	79,093	34,551	42,247				2,295			
9. Total	188,184	99,400	84,971				3,813			
10. Hospital Patient Days Incurred	6,491	4,980	1,356				155			
11. Number of Inpatient Admissions	1,598	1,256	320				22			
12. Health Premiums Written (a)	51,411,710	28,764,280	21,955,013				692,417			
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	51,411,710	28,764,280	21,955,013				692,417			
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	43,746,786	24,475,840	18,681,761				589,185			
18. Amount Incurred for Provision of Health Care Services	48,911,882	27,365,654	20,887,479				658,749			

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$.....0.

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)**Aging Analysis of Unpaid Claims**

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 days	6 Over 120 Days	7 Total
0199999 Individually Listed Claims Unpaid						
0299999 Aggregate Accounts Not Individually Listed - Uncovered	897,484	251,479	220,546	147,930	273,288	1,790,727
0399999 Aggregate Accounts Not Individually Listed - Covered	12,973,976	3,635,371	3,188,198	2,138,462	3,950,643	25,886,650
0499999 Subtotals	13,871,460	3,886,850	3,408,744	2,286,392	4,223,931	27,677,377
0599999 Unreported claims and other claim reserves						4,681,096
0699999 Total Amounts Withheld						
0799999 Total Claims Unpaid						32,358,473
0899999 Accrued Medical Incentive Pool And Bonus Amounts						247,355

UNDERWRITING AND INVESTMENT EXHIBIT**ANALYSIS OF CLAIMS UNPAID-PRIOR YEAR-NET OF REINSURANCE**

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5	6
	1	2	3	4	Claims Incurred in Prior Years (Columns 1+3)	Estimated Claim Reserve and Claim Liability Dec 31 of Prior Year
	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid Dec 31 of Prior Year	On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	14,855,326	28,852,732	6,900,623	25,178,835	21,755,949	27,449,222
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan	171,260	270,970	60,019	218,996	231,279	273,909
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health						
9. Health subtotal (Lines 1 to 8)	15,026,586	29,123,702	6,960,642	25,397,831	21,987,228	27,723,131
10. Healthcare receivables (a)	403,502			35,196	403,502	286,279
11. Other non-health						
12. Medical incentive pools and bonus amounts			247,248	107	247,248	247,248
13. Totals (Lines 9 - 10 + 11 + 12)	14,623,084	29,123,702	7,207,890	25,362,742	21,830,974	27,684,100

(a) Excludes \$.....0 loans or advances to providers not yet expensed.

Notes to Financial Statement

QCA HEALTH PLAN, INC.

Notes to Financial Statements - Statutory Basis

(1) Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies used in the preparation of the accompanying financial statements. Such policies are in conformity with the Annual Statement Instructions and the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners (“NAIC”) and the accounting practices as prescribed or permitted by the Arkansas Insurance Department and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents and Short Term Investments: The Company considers all cash accounts and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Premiums Receivable: The Company uses the allowance method of accounting for uncollectible receivables. Premiums receivable represent medical premium revenue that has been billed and recognized as revenue, but has not been collected.

Investment Securities: Bonds and other debt instruments for which the Company intends to resell in the near future are classified as trading and are stated at cost adjusted for amortization of premiums and accretion of discounts computed by the interest method. Stocks and bond funds which have no set maturity date are classified as available for sale and are stated at fair market value.

Medical Claims Payable: Reported claims expected to be paid after the balance sheet date for services provided to members prior to the balance sheet date are recorded as liabilities. Claims for services provided to members during the financial reporting period which are unreported at the balance sheet date are estimated based on the Company’s claims experience and recorded as liabilities. The amounts recorded are based upon estimates of the ultimate net cost of such services provided. These reserves are subject to continuous review by management and changes in estimates are reflected in earnings currently.

Income Taxes: Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due.

Revenue: Medical premium revenue is recognized in the month in which members are entitled to receive health care services. Medical premiums collected in advance are recorded as unearned premium revenue.

Cost of Benefits Provided: Cost of benefits provided includes the costs of all medical services delivered to enrolled members of the Company and for whom the Company has recorded medical premium revenue during the reporting period. These costs include payments for specific medical services paid to physicians, hospitals, and other health care providers on a fee-for-service basis. Costs of benefits include claims paid, claims in process and pending, estimates of unreported claims and charges, and processing costs of those estimates at the end of the fiscal year for which the Company will be responsible.

Premium Tax: The state in which the Company does business requires the remittance of premium taxes based upon a percentage of billed premiums.

Advertising Costs: Advertising and promotions related expenses are charged to operations when incurred.

Non-Admitted Assets: Certain assets (principally pharmaceutical rebate receivables, property plant and equipment, goodwill and deferred tax assets not expected to be

Notes to Financial Statement

realized within a 12 month period) designated as "non-admitted" are not included in the financial statements.

Accounting Estimates: The preparation of financial statements in conformity with the accounting practices described above requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

(2) **Accounting Changes and Corrections of Errors**

None.

(3) **Business Combinations and Goodwill**

None.

(4) **Discontinued Operations**

None.

(5) **Investments**

No significant changes.

(6) **Joint Ventures, Partnerships and Limited Liability Companies**

No significant changes.

(7) **Investment Income**

The Company's investment income was earned on cash and cash equivalents, bonds, and stocks. Unrealized losses and gains are recorded on page 5.

(8) **Derivative Instruments**

None.

(9) **Income Taxes**

During the month of February, net premium taxes due for the year of 2015 were remitted to the State Treasurer of Arkansas.

(10) **Information Concerning Parent, Subsidiaries and Affiliates**

None.

(11) **Debt**

None.

(12) **Retirement Plans, Deferred Compensation and Other Postretirement Benefit and Compensated Absences and Other Postretirement Benefit Plans**

No significant changes.

(13) **Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations**

No significant changes.

(14) **Contingencies**

Notes to Financial Statement

No significant changes.

(15) Leases

None.

(16) Information About Financial Instruments With Off Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

None.

(17) Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

None.

(18) Gain or Loss To The Reporting Entity From Uninsured A&H Plans and The Uninsured Portion of Partially Insured Plans

No significant changes.

(19) Direct Premium Written/Produced By Managing General Agents/Third Party Administrators

None

(20) Fair Value Measurements

All investments are recorded at amortized cost, except for stocks and bond funds that are adjusted to fair market value on a monthly basis.

(21) Other Items

None

(22) Events Subsequent

None

(23) Reinsurance

No significant changes.

(24) Retrospectively Rated Contracts & Contracts Subject To Redetermination

J. Risk Sharing Provisions of the Affordable Care Act

1. Permanent Risk Adjustment Program

Assets	Amount
a. Premium Adjustment Receivable	\$6,414,999
Liabilities	
b. Risk Adjustment User Fees Payable	\$0
c. Premium Adjustments Payable	\$0
Operations (Revenue & Expense)	

Notes to Financial Statement

d. Premium for Accident and Health Contracts	\$670,860
--	-----------

2. Transitional Reinsurance Program

Assets

a. Amounts recoverable for claims paid	\$10,801,287
--	--------------

b. Amounts recoverable for claims unpaid	\$0
--	-----

c. Amounts receivable relating to uninsured plans	\$0
---	-----

Liabilities

d. Claims unpaid-ceded	\$0
------------------------	-----

e. Contributions payable-not reported as ceded	\$0
--	-----

f. Ceded reinsurance premiums payable	\$0
---------------------------------------	-----

g. Liability for amounts held under uninsured plans	\$0
---	-----

Operations (Revenue & Expense)

h. Ceded reinsurance premiums	\$0
-------------------------------	-----

i. Reinsurance recoveries	\$278,564
---------------------------	-----------

j. Contributions-not reported as ceded premiums	\$0
---	-----

3. Temporary Risk Corridors Program

Assets

a. Accrued retrospective premium	\$0
----------------------------------	-----

Liabilities

b. Reserve for rate credits/policy exp rating refunds	\$0
---	-----

Operations (Revenue & Expense)

c. Net premium income (paid/received)	\$0
---------------------------------------	-----

d. Change in reserves for rate credits	\$0
--	-----

4. Have there been any material re-estimations and/or impairments for the reporting period? **NO**

(25) Change In Incurred Claims and Claim Adjustment Expenses

Reserves as of March 31, 2016 were \$32,358,473. As of March 31, 2016, \$14,623,084 has been paid for incurred claims and claim adjustment expenses attributable to insured events incurred prior of January 1, 2016. Reserves remaining for prior years are now \$7,207,890 as a result of re-estimation of unpaid claims and claim adjustment expenses. Therefore, there has been a \$5,892,157 favorable prior-year development since December 31, 2015 to March 31, 2016. The decrease is generally the result of ongoing analysis of recent loss development trends. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

Notes to Financial Statement

(26) Intercompany Pooling Arrangements

None.

(27) Structured Settlements

None.

(28) Health Care Receivables

No significant changes.

(29) Participating Policies

None.

(30) Premium Deficiency Reserves

The Premium Deficiency Reserve has decreased 125,000 in the current quarter.

(31) Anticipated Salvage and Subrogation

None.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state? Yes[] No[] N/A[X]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes[] No[X]
- 2.2 If yes, date of change:

- 3.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes[X] No[]
If yes, complete Schedule Y, Parts 1 and 1A.
- 3.2 Have there been any substantial changes in the organizational chart since the prior quarter end? Yes[] No[X]
- 3.3 If the response to 3.2 is yes, provide a brief description of those changes:

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....		

- 5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? Yes[] No[] N/A[X]
If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 12/31/2014
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 12/31/2014
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).
- 6.4 By what department or departments?
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with? Yes[] No[] N/A[X]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes[] No[X]
- 7.2 If yes, give full information

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.].

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
.....	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]	Yes[] No[X]

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes[X] No[]
 - (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
 - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
 - (c) Compliance with applicable governmental laws, rules and regulations;
 - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
 - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended? Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes[X] No[]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 71,370

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:

- 12. Amount of real estate and mortgages held in other invested assets in Schedule BA: \$..... 0
- 13. Amount of real estate and mortgages held in short-term investments: \$..... 0

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes[X] No[]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds		
14.22 Preferred Stock	1,500,000	1,500,000
14.23 Common Stock		
14.24 Short-Term Investments		
14.25 Mortgages Loans on Real Estate		
14.26 All Other	5,423	5,409
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26)	1,505,423	1,505,409
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above		

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?

Yes No
Yes No N/A

15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

16. For the reporting entity's security lending program, state the amount of the following as of the current statement date:

16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.2 Total book adjusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$ 0

16.3 Total payable for securities lending reported on the liability page

\$ 0

17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes No

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Arvest Asset Management	200 Commerce Dr. Ste. 100, Little Rock, AR
BNY Mellon	200 Park Avenue, New York, NY

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes No

17.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

17.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
Arvest Trust	Dennis Whitaker	200 Commerce Dr. Ste. 100 Little Rock, AR
BNY Mellon	Robert Schmidt	200 Park Avenue, New York, NY

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed?

Yes No

18.2 If no, list exceptions:

GENERAL INTERROGATORIES

PART 2 - HEALTH

1. Operating Percentages:	
1.1 A&H loss percent 97.560%
1.2 A&H cost containment percent 2.690%
1.3 A&H expense percent excluding cost containment expenses 17.001%
2.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
2.2 If yes, please provide the amount of custodial funds held as of the reporting date.	\$..... 0
2.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
2.4 If yes, please provide the balance of the funds administered as of the reporting date.	\$..... 0

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Type of Reinsurer	8 Certified Reinsurer Rating (1 through 6)	9 Effective Date of Certified Reinsurer Rating
Life and Annuity - Affiliates 00000	AA-9990032	01/01/2016	US Dept of Hlth & Human Serv	DC	OTH/L/G	Authorized		

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS**Current Year to Date - Allocated by States and Territories**

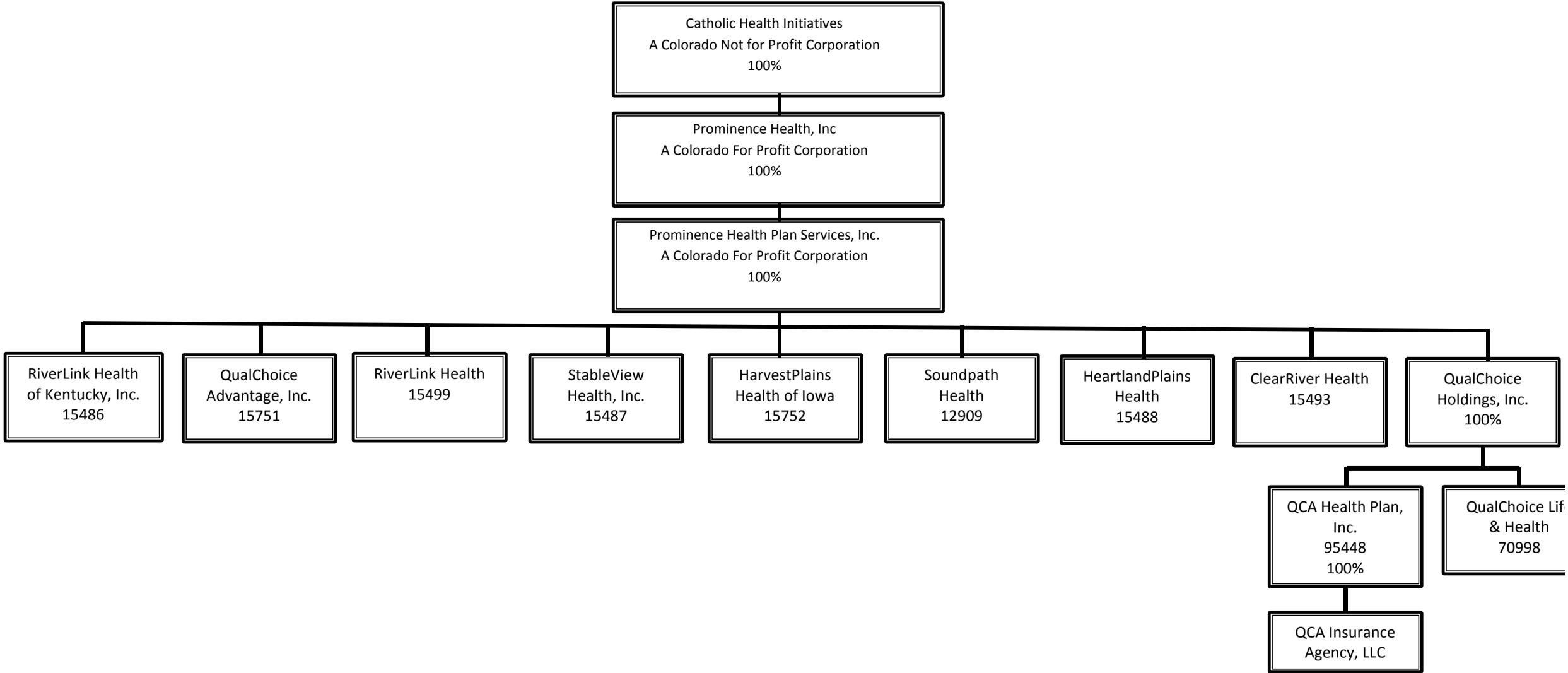
State, Etc.	1 Active Status	Direct Business Only							
		2 Accident and Health Premiums	3 Medicare Title XVIII	4 Medicaid Title XIX	5 Federal Employees Health Benefits Program Premiums	6 Life and Annuity Premiums and Other Considerations	7 Property/Casualty Premiums	8 Total Columns 2 Through 7	9 Deposit-Type Contracts
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	L	51,132,365			696,823		51,829,188		
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	N								
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. Subtotal	X X X	51,132,365			696,823		51,829,188		
60. Reporting entity contributions for Employee Benefit Plans	X X X								
61. Total (Direct Business)	(a) 1	51,132,365			696,823		51,829,188		
DETAILS OF WRITE-INS									
58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

Q15



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	ID Number	FEDERAL RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries Or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity / Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) / Person(s)	*
4807	Catholic Health Initiatives	95448	71-0794605				QCA Health Plan, Inc.	AR	RE	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	70998	71-0386640				QualChoice Life and Health Insurance Company, Inc.	AR	RE	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	12909	42-1720801				Soundpath Health, Inc.	WA	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15493	46-4495960				ClearRiver Health	TN	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15488	46-4368223				Heartland Plains Health	NE	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15499	46-4380824				RiverLink Health	OH	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15486	46-4828332				RiverLink Health of Kentucky, Inc.	KY	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15487	46-4373713				StableView Health	KY	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15751	47-3433912				QualChoice Advantage, Inc.	AR	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	
4807	Catholic Health Initiatives	15752	47-3451750				Harvest Plains Health of Iowa	IA	IA	Promience Health Plan Services	Ownership	100.0	Catholic Health Initiatives	

Asterisk	Explanation
0000001	

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?

No

Explanations:

Bar Codes:

Medicare Part D Coverage Supplement



95448201636500001

2016

Document Code: 365

SCHEDULE A - VERIFICATION**Real Estate**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other-than-temporary impairment recognized		
8. Deduct current year's depreciation		
9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8)		
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)		

NONE**SCHEDULE B - VERIFICATION****Mortgage Loans**

	1 Year To Date	2 Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest, December 31 of prior year		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mortgage interest points		
9. Total foreign exchange change in book value/recorded investment		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)		
12. Total valuation allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

NONE**SCHEDULE BA - VERIFICATION****Other Long-Term Invested Assets**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	5,423	5,460
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	(14)	(37)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10)	5,409	5,423
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	5,409	5,423

SCHEDULE D - VERIFICATION**Bonds and Stocks**

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	39,243,756	26,331,140
2. Cost of bonds and stocks acquired	67,450,872	47,602,886
3. Accrual of discount	13,671	129,144
4. Unrealized valuation increase (decrease)	(20,978)	(1,449,407)
5. Total gain (loss) on disposals		1,042,936
6. Deduct consideration for bonds and stocks disposed of	74,732,000	34,356,791
7. Deduct amortization of premium	34,498	56,152
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9)	31,920,823	39,243,756
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	31,920,823	39,243,756

SCHEDULE D - PART 1B

**Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by NAIC Designation**

	1	2	3	4	5	6	7	8
NAIC Designation	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. NAIC 1 (a)	32,204,895	67,450,872	74,732,000	(20,829)	24,902,938			32,204,895
2. NAIC 2 (a)								
3. NAIC 3 (a)								
4. NAIC 4 (a)								
5. NAIC 5 (a)								
6. NAIC 6 (a)								
7. Total Bonds	32,204,895	67,450,872	74,732,000	(20,829)	24,902,938			32,204,895
PREFERRED STOCK								
8. NAIC 1								
9. NAIC 2								
10. NAIC 3								
11. NAIC 4								
12. NAIC 5								
13. NAIC 6								
14. Total Preferred Stock								
15. Total Bonds & Preferred Stock	32,204,895	67,450,872	74,732,000	(20,829)	24,902,938			32,204,895

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....0; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

QS102

SI03 Schedule DA Part 1 NONE

SI03 Schedule DA Verification NONE

SI04 Schedule DB - Part A Verification NONE

SI04 Schedule DB - Part B Verification NONE

SI05 Schedule DB Part C Section 1 NONE

SI06 Schedule DB Part C Section 2 NONE

SI07 Schedule DB - Verification NONE

SI08 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

E02 Schedule B Part 2 NONE

E02 Schedule B Part 3 NONE

E03 Schedule BA Part 2 NONE

E03 Schedule BA Part 3 NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
912796FV6	US Treasury Bill		01/28/2016	BNY Mellon	X X X	7,999,650	8,000,000		1FE
912796GY9	US Treasury Bill		01/14/2016	BNY Mellon	X X X	7,999,680	8,000,000		1FE
912796GX1	US Treasury Bill		01/08/2016	BNY Mellon	X X X	7,999,870	8,000,000		1FE
912796GZ6	US Treasury Bill		01/22/2016	BNY Mellon	X X X	7,999,692	8,000,000		1FE
912796HB8	US Treasury Bill		02/04/2016	BNY Mellon	X X X	7,999,736	8,000,000		1FE
912796HC6	US Treasury Bill		02/11/2016	BNY Mellon	X X X	7,999,684	8,000,000		1FE
912796HD4	US Treasury Bill		02/18/2016	BNY Mellon	X X X	7,999,689	8,000,000		1FE
912796FZ7	US Treasury Bill		02/25/2016	BNY Mellon	X X X	7,999,666	8,000,000		1FE
912828P46	US Treasury Note		03/04/2016	BNY Mellon	X X X	443,874	455,000	427	1FE
912828P87	US Treasury Note		03/04/2016	BNY Mellon	X X X	597,248	605,000	129	1FE
912828UR9	US Treasury Note		03/15/2016	BNY Mellon	X X X	448,365	450,000	147	1FE
0599999 Subtotal - Bonds - U.S. Governments					X X X	65,487,154	65,510,000	703	X X X
Bonds - Industrial and Miscellaneous (Unaffiliated)									
035242AJ5	Anheuser-Busch Inbev Finance		01/13/2016	BNY Mellon	X X X	129,593	130,000		1FE
5741925B2	Maryland St		01/05/2016	BNY Mellon	X X X	165,119	150,000	2,223	1FE
64966LZF1	New York NY		01/05/2016	BNY Mellon	X X X	149,342	150,000	946	1FE
68428LDP6	Orange Cnty		01/08/2016	BNY Mellon	X X X	190,000	190,000		1FE
80281LAD7	Santander UK Group		01/05/2016	BNY Mellon	X X X	94,904	95,000		1FE
928172WA9	Virginia St Public Bldg		01/05/2016	BNY Mellon	X X X	163,802	150,000	2,748	1FE
037833AJ9	Apple Inc		01/19/2016	BNY Mellon	X X X	74,603	75,000	165	1FE
25468PDA1	Walt Disney Co		01/19/2016	BNY Mellon	X X X	75,929	75,000	200	1FE
61746BDX1	Morgan Stanley		01/22/2016	BNY Mellon	X X X	184,876	185,000		1FE
713448CR7	Pepsico Inc		01/19/2016	BNY Mellon	X X X	75,216	75,000	214	1FE
89236TCP8	Toyota Motor Credit Corp		01/19/2016	BNY Mellon	X X X	75,173	75,000	29	1FE
585055BG0	Medtronic Inc.		02/01/2016	BNY Mellon	X X X	91,199	90,000	850	1FE
921813AA9	Vanderbilt University		02/02/2016	BNY Mellon	X X X	89,421	80,000	1,447	1FE
17275RBD3	Cisco Systems Inc.		02/22/2016	BNY Mellon	X X X	54,894	55,000		1FE
06051GFT1	BANK OF AMERICA CORP		03/01/2016	BNY Mellon	X X X	54,534	55,000	541	1FE
651229AU0	Newell Rubbermaid Inc.		03/18/2016	BNY Mellon	X X X	34,942	35,000		1FE
674599CG8	Occidental Petroleum Corp.		03/14/2016	BNY Mellon	X X X	60,262	60,000	537	1FE
867224AA5	Suncor Energy Inc.		03/28/2016	BNY Mellon	X X X	44,444	45,000	540	1FE
949746RS2	Wells Fargo & Co.		03/21/2016	BNY Mellon	X X X	75,487	75,000	104	1FE
98389BAS9	Xcell Energy Inc.		03/03/2016	BNY Mellon	X X X	79,978	80,000		1FE
3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)					X X X	1,963,718	1,925,000	10,544	X X X
8399997 Subtotal - Bonds - Part 3					X X X	67,450,872	67,435,000	11,247	X X X
8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
8399999 Subtotal - Bonds					X X X	67,450,872	67,435,000	11,247	X X X
8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly)					X X X	X X X	X X X	X X X	X X X
9899999 Subtotal - Preferred and Common Stocks					X X X	X X X	X X X	X X X	X X X
9999999 Total - Bonds, Preferred and Common Stocks					X X X	67,450,872	X X X	11,247	X X X

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

QE04

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stocks Sold, Redeemed or Otherwise Disposed of During the Current Quarter

1 CUSIP Identification	2 Description	3 F o r e i g n Date	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/ Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/ Stock Dividends Received During Year	21 Stated Contractual Maturity Date	22 NAIC Designation or Market Indicator (a)	
										11 Unrealized Valuation Increase/ (Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.								
Bonds - U.S. Governments																						
912828F47	US Treasury Note		03/04/2016	BNY Mellon	X X X	600,000	600,000	600,867	600,691	(691)			(691)		600,000					09/30/2016	1FE	
912796HJ1	US Treasury Bill		03/04/2016	BNY Mellon	X X X	675,000	675,000	672,598	672,928	2,072			2,072		675,000					10/13/2016	1FE	
912796FP9	US Treasury Note		01/07/2016	BNY Mellon	X X X	9,000,000	9,000,000	8,999,920	8,999,923	77			77		9,000,000					01/07/2016	1FE	
912796FV6	US Treasury Bill		02/04/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,650		350			350		8,000,000					02/04/2016	1FE	
912796GY9	US Treasury Bill		01/21/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,680		320			320		8,000,000					01/21/2016	1FE	
912796GX1	US Treasury Bill		01/14/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,870		130			130		8,000,000					01/14/2016	1FE	
912796GZ6	US Treasury Bill		01/28/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,692		308			308		8,000,000					01/28/2016	1FE	
912796HB8	US Treasury Bill		02/11/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,736		264			264		8,000,000					02/11/2016	1FE	
912796HC6	US Treasury Bill		02/18/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,684		316			316		8,000,000					02/18/2016	1FE	
912796HD4	US Treasury Bill		02/25/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,689		311			311		8,000,000					02/25/2016	1FE	
912796FZ7	US Treasury Bill		03/03/2016	BNY Mellon	X X X	8,000,000	8,000,000	7,999,666		334			334		8,000,000					03/03/2016	1FE	
0599999	Subtotal - Bonds - U.S. Governments				X X X	74,275,000	74,275,000	74,271,052	10,273,542	3,791			3,791		74,275,000					X X X	X X X	
Bonds - Industrial and Miscellaneous (Unaffiliated)																						
032511BJ5	ANADARKO PETROLEUM CORP		02/22/2016	BNY Mellon	X X X	35,000	35,000	34,409	34,433	567			567		35,000					07/15/2024	1FE	
10112RAV6	BOSTON PROPERTIES LP		02/26/2016	BNY Mellon	X X X	55,000	55,000	53,424	53,476	1,524			1,524		55,000					09/01/2023	1FE	
15135UAJ8	CENOVUS ENERGY INC		02/26/2016	BNY Mellon	X X X	50,000	50,000	47,484	47,572	2,429			2,429		50,000					09/15/2023	1FE	
20826FAJ5	CONOCOPHILLIPS CO		02/26/2016	BNY Mellon	X X X	50,000	50,000	49,965	49,967	33			33		50,000					05/15/2020	1FE	
40414LAH2	HCP INC		02/18/2016	BNY Mellon	X X X	55,000	55,000	54,773	54,787	213			213		55,000					02/01/2020	1FE	
42217KAY2	WELLTOWER INC		02/17/2016	BNY Mellon	X X X	55,000	55,000	58,213	57,949	(2,949)			(2,949)		55,000					04/01/2019	1FE	
761713BE5	REYNOLDS AMERICAN INC		02/22/2016	BNY Mellon	X X X	32,000	32,000	32,846	32,793	(793)			(793)		32,000					06/12/2020	1FE	
816851AU3	SEMPRA ENERGY		02/04/2016	BNY Mellon	X X X	55,000	55,000	56,818	56,751	(1,751)			(1,751)		55,000					12/01/2023	1FE	
92976WBH8	WACHOVIA CORP		03/21/2016	BNY Mellon	X X X	70,000	70,000	76,670	75,830	(830)			(830)		70,000					02/01/2018	1FE	
3899999	Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated)				X X X	457,000	457,000	464,602	463,558	(6,557)			(6,557)		457,000					X X X	X X X	
8399997	Subtotal - Bonds - Part 4				X X X	74,732,000	74,732,000	74,735,654	10,737,100	(2,766)			(2,766)		74,732,000					X X X	X X X	
8399998	Summary Item from Part 5 for Bonds (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
8399999	Subtotal - Bonds				X X X	74,732,000	74,732,000	74,735,654	10,737,100	(2,766)			(2,766)		74,732,000					X X X	X X X	
8999998	Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9799998	Summary Item from Part 5 for Common Stocks (N/A to Quarterly)				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9899999	Subtotal - Preferred and Common Stocks				X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X
9999999	Total - Bonds, Preferred and Common Stocks				X X X	74,732,000	X X X	74,735,654	10,737,100	(2,766)			(2,766)		74,732,000					X X X	X X X	

QE05

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

E06 Schedule DB Part A Section 1 NONE

E07 Schedule DB Part B Section 1 NONE

E08 Schedule DB Part D Section 1 NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged By Reporting Entity NONE

E09 Schedule DB Part D Section 2 - Collateral Pledged To Reporting Entity NONE

E10 Schedule DL - Part 1 - Securities Lending Collateral Assets NONE

E11 Schedule DL - Part 2 - Securities Lending Collateral Assets NONE

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

1 Description	2 Code	3 Date Acquired	4 Rate of Interest	5 Maturity Date	6 Book/Adjusted Carrying Value	7 Amount of Interest Due & Accrued	8 Amount Received During Year
NONE							
8699999 Total - Cash Equivalents							

INDEX TO HEALTH QUARTERLY STATEMENT

Accounting Changes and Corrections of Errors; Q10, Note 2; Q11
Accounting Practices and Policies; Q5; Q10, Note 1
Admitted Assets; Q2
Bonds; Q2; Q6; Q11.1; Q11.2; QE04; QE05
Bonuses; Q3; Q4; Q8; Q9
Borrowed Funds; Q3; Q6
Business Combinations and Goodwill; Q10, Note 3
Capital Gains (Losses)
 Realized; Q4
 Unrealized; Q4; Q5
Capital Stock; Q3; Q10, Note 13
Capital Notes; Q6; Q10, Note 11
Caps; QE06; QSI04
Cash; Q2; Q6; QE12
Cash Equivalents; Q2; Q6; QE13
Claims; Q3; Q4; Q8; Q9
Collars; QE06; QSI04
Commissions; Q6
Common Stock; Q2; Q3; Q6; Q11.1; Q11.2
Cost Containment Expenses; Q4
Contingencies; Q10, Note 14
Counterparty Exposure; Q10, Note 8; QE06; QE08
Debt; Q10, Note 11
Deferred Compensation; Q10, Note 12
Derivative Instruments; Q10, Note 8; QSI04; QSI05; QSI06; QSI07; QE06; QE07; QE08
Discontinued Operations; Q10, Note 4
Electronic Data Processing Equipment; Q2
Encumbrances; Q2; QSI01; QE01
Emergency Room; Q4
Expenses; Q3; Q4; Q6
Extinguishment of Liabilities; Q10, Note 17
Extraordinary Item; Q10, Note 21
Fair Value; Q7, Note 20
Fee for Service; Q4
Foreign Exchange; Q2; Q3; Q5; QSI01; QSI03; QE01; QE02; QE03; QE05
Forwards; QE06; QSI04
Furniture, Equipment and Supplies; Q2
Guaranty Fund; Q2
Health Care Receivables; Q2; Q9; Q10, Note 28
Holding Company; Q16
Hospital/Medical Benefits; Q4
Incentive Pools; Q3; Q4; Q8; Q9
Income; Q4; Q5; Q6
Income Taxes; Q2; Q3; Q4; Q5; Q10, Note 9
Incurred Claims and Claim Adjustment Expenses; Q10, Note 25
Intercompany Pooling; Q10, Note 26
Investment Income; Q10, Note 7
 Accrued; Q2
 Earned; Q2; QSI03
 Received; Q6
Investments; Q10, Note 5; Q11.1; Q11.2; QE08
Joint Venture; Q10, Note 6
Leases; Q10, Note 15
Limited Liability Company (LLC); Q10, Note 6
Limited Partnership; Q10, Note 6
Long-Term Invested Assets; Q2; QE03
Managing General Agents; Q10, Note 19
Medicare Part D Coverage; QSupp1
Member Months; Q4; Q7
Mortgage Loans; Q2; Q6; Q11.1; QSI01; QE02
Nonadmitted Assets; Q2; Q5; QSI01; QSI03
Off-Balance Sheet Risk; Q10, Note 16
Options; QE06; QSI04
Organizational Chart; Q11; Q14
Out-of-Area; Q4
Outside Referrals; Q4
Parent, Subsidiaries and Affiliates; Q2; Q3; Q10, Note 10; Q11.1
Participating Policies; Q10, Note 29
Pharmaceutical Rebates; Q10, Note 28
Policyholder Dividends; Q5; Q6
Postemployment Benefits; Q10, Note 12
Postretirement Benefits; Q10, Note 12
Preferred Stock; Q2; Q3; Q6; Q11.1; Q11.2

INDEX TO HEALTH QUARTERLY STATEMENT

Premium Deficiency Reserves; Q10, Note 30
Premiums and Considerations
 Advance; Q3
 Collected; Q6
 Deferred; Q2
 Direct; Q7; Q13
 Earned; Q7
 Retrospective; Q2
 Uncollected; Q2
 Unearned; Q4
 Written; Q4; Q7
Prescription Drugs; Q4
Quasi Reorganizations; Q10, Note 13
Real Estate; Q2; Q6; QE01; QSI01
Redetermination, Contracts Subject to; Q10, Note 24
Reinsurance; Q9; Q10, Note 23
 Ceded; Q3; Q12
 Funds Held; Q2
 Payable; Q3
 Premiums; Q3
 Receivable; Q2; Q4
 Unauthorized; Q3; Q5
Reserves
 Accident and Health; Q3; Q4
 Claim; Q3; Q5; Q8
 Life; Q3
Retirement Plans; Q10, Note 12
Retrospectively Rated Policies; Q10, Note 24
Risk Revenue; Q4
Salvage and Subrogation; Q10, Note 31
Securities Lending; Q2; Q3; QE09; QE11
Servicing of Financial Assets; Q10, Note 17
Short-Term Investments; Q2; Q6; Q11.1; QSI03
Stockholder Dividends; Q5; Q6
Subsequent Events; Q10, Note 22
Surplus; Q3; Q5; Q6
Surplus Notes; Q3; Q5; Q6
Swaps; QE07; QSI04
Synthetic Assets; QSI04; QSI05
Third Party Administrator; Q10, Note 19
Treasury Stock; Q3; Q5
Uninsured Accident and Health; Q2; Q3; Q10, Note 18
Valuation Allowance; QSI01
Wash Sales; Q10, Note 17
Withholds; Q4; Q8